

South Carolina Electric and Gas Company
Reconciliation of Net Income For Return
Test Year Ended March 31, 2004
(\$000)

	(1)	(2)	(3)	(4)	(5)
	<u>Total Electric</u>		<u>S.C. Retail</u>		
	Per Filing	As Adjusted	Per Filing*	As Adjusted	After Proposed Increase
	\$	\$	\$	\$	\$
<u>Net Income For Return Per Company Exhibit D-II</u>	327,221	282,583	319,628	277,800	335,041
<u>Summary of Net Adjustments and Differences:</u>					
Operating Revenue - Company	0	(30,099)	0	(28,281)	(28,281)
Operating Revenue - Staff	0	30,099	0	28,281	28,281
Fuel Costs - Company	0	23,831	0	22,345	22,345
Fuel Costs - Staff	0	(23,831)	0	(22,936)	(22,936)
Other O&M Expense - Company	0	22,926	0	21,606	21,606
Other O&M Expense - Staff	0	(9,523)	0	(8,819)	(8,819)
Depreciation And Amortization - Company	0	39,884	0	37,573	37,573
Depreciation And Amortization - Staff	0	(39,649)	0	(37,347)	(37,347)
Other Taxes - Company	0	11,373	0	10,916	10,916
Other Taxes - Staff	0	(11,341)	0	(10,886)	(10,886)
Income Taxes - Company	0	(23,726)	0	(22,786)	(22,786)
Income Taxes - Staff	0	13,823	0	13,507	13,507
Interest on Customers Deposits - Company	0	0	0	0	0
Interest on Customers Deposits - Staff	0	607	0	607	607
Rounding in Application				6	6
Customer Growth - Company	0	(2,975)	0	(2,975)	(3,586)
Customer Growth - Staff	0	3,805	0	3,733	3,733
<u>Total Net Differences Between Staff and Company</u>	<u>0</u>	<u>5,204</u>	<u>0</u>	<u>4,544</u>	<u>4,544</u>
<u>Proposed Increase Differences:</u>					
Proposed Increase - Company					(92,114)
Proposed Increase - Staff					92,114
Fuel Costs - Company					(10,922)
Fuel Costs - Staff					10,922
Income Taxes - Company					35,079
Income Taxes - Staff					(35,064)
Other Taxes - Company					405
Other Taxes - Staff					(443)
Customer Growth - Company					(611)
Customer Growth - Staff	0	0	0		759
<u>Total Net Income for Return Staff's Exhibit A</u>	<u>327,221</u>	<u>287,787</u>	<u>319,628</u>	<u>282,344</u>	<u>339,710</u>

* Per Filing as Contained in The Company's Cost of Service Study